

[資料] グローバリゼーションと IMF

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資 料

GLOBALIZATION AND IMF ECONOMY

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1 Introduction

Recentry, there are three Asian Panics that Asians are afraid of in common. These Panics are Moody's, Soros and Candessus.

The credit ratings graded by *Moody's* and *S & P* are so powerful as to decide the fate of a country. At the end of the last year or the end of 97', Korea's credit rating had fallen by six grades for lack of foreign currency and finally, Korean economy fell into slump.

In June 98', degradation of Tokyo-Mitsubishi Bank by Moody's accelerated the depreciation of Japanese Yen. Moody's is more frightening than the Central Intelligence Agency or the CIA even to the American companies.

Nearly three trillion dollors of speculative funds such as *Quantum fund*, *Tiger fund*, and *SR Asian fund* hold sway over a county's financial

market. It is generally known that these funds can controll over 30 trillion dollors which is ten times the size of their capital. Last year, international speculative hedge funds gained profit of 60-70% from all over the Asia.

Last May, "*The Asia Week*", Hong Kong's news-weekly, published 50 people who have influence in Asia. This year, however, it is not an Asian but *Michel Candessus*, the managing director of the IMF, who has most influence in Asia. Because he can decide the fate of hundred millions of people's countries such as Thailand, Indonesia and Korea that depend on financial support from the IMF.

The irony is that Asians consider the IMF as a cruelty merchant like Shylock (of "*The merchant of Venice*") while this organization support the countries with bad economic conditions.

The highest benefited of Global Message which follows the market economy system are financial agencies of Wall Street in New York.

European press criticizes financial agencies in Wall street for sweeping over the economy of developing countries and they call this *Neo-hegemonism*. Especially, "*Financial Times*" of Britain cynically sees that the US is in a process of taming Asia with financial Big-Bangs and settling of global standard.

In our opinion, upswing of the US after the Cold-War period depends not on the strong industrial competitiveness but on its power and position of the world's bank who issues dollar.

2 Fundamental of Globalization.

During the past 10 years, mankind appears to have finanally accomplished its worldwide economic tasks of the 20th century. Imperialism, which had begun in the 19th century, ended, leaving behind a wound caused by Word Wars I and II. Communism and Capitalism—constitut-

ing the bi-polar world—were disrupted by the collapse of the USSR and the reunification of Germany. Now, the world is moving from a system of conflict, based on ideology, towards system of cooperation, based on competition. With the collapse of communism, economics is now able to operate under a single rule. That single rule is the “market principle”.

The proof of the economic power of the “market principle” is well shown in the many nations of the developed West. Also, the “market principle” is the only effective tool with which the world community can operate as ONE, harmoniously reaping the full benefits of a bountiful earth. With the ratification of the Uruguay Round talks, the world has accepted this principle and, consequently, has begun to move towards true globalization.

Free markets, however, imply free competition. In fact, the rules that apply are Survival of the Fittest and ‘eat or be eaten’. It is necessary, therefore, to develop fair rule that will control such animalistic behaviour. Fair rules will not confuse “fighting” with “competing”. The Uruguay Round talks and the WTO system provide prime examples of these rules.

The dual concept of nations and national interest is rapidly changing. Simultaneously, concepts concerning corporations are also changing. Multinational corporations are no longer solely concerned with the national interests of the mother country, but with the interests of the world wherever they are operating. The businesses of the 18th and 19th century were mere tools for the industrial revolution and, thus, are referred to as “industrial enterprises” in my own terminology. The 19th and early 20th century firms were utilized as tools of imperialism, and we call them “imperialistic enterprises” in the mid-20th century. However, the objectives of businesses shifted to the improvement of national

wealth and the protection of national interests, so called, “nationalistic enterprises”. Their objective was the invasion of foreign markets. But, finally, in the 1960's, with rapid emergence of the multinational corporation, firms established worldwide manufacturing and marketing networks, having “localization” as their goal. Presently, 1/3 of all trade in manufactured goods is created by the international operations of these multinational enterprises. Finally, with the onset of the 1990's, the firm has entered the stage of the non-national enterprise. Consequently, the survival of firms depends on their capability for becoming global citizens.

Let us take some time to look at several characteristics of the WTO system in relation to international society.

First of all, universalism based on free trade should be preferred as national boundaries are increasingly becoming non-existent and as the concepts of national economies and national companies are quickly changing. Henceforth, economic resources of the world's nations may be utilized just as if they were within domestic borders.

Secondly, globalism and regionalism intersect. Whether regionalism is an obstacle for globalism or a necessary stepping stone to it remains an unanswered question. In my opinion, the only genuine regional union among nations is the European Union. The NAFTA and the APEC were created solely to counteract the European Union.

Thirdly, as the rules of GATT advocated free competition in the manufacturing sector, so the WTO has been enlarged to encompass, not only manufacturing, but also agriculture, construction, communications, services, and intellectual property rights.

Fourth, as we can from the US's threatening stance via Super 301, bilateralism based on neo-protectionism is raising its ugly head. As I have already indicated, the possibility exists that the WTO might support the interests of a developed nation over an under developed one, and thus, trade conflicts may be settled through oppressive measures, not unlike Super 301.

Fifth, new international regulations, such as the Blue Round and the Green Round are fast becoming important issues. The main purpose of the Green Round is to protect the environment and that of the Blue Round is to protect basic human standards of living by setting a minimum wage. Although the fundamental purposes of these regulations are indeed, laudatory, they should not be used by developed nations as a weapon against the economic interests of developing nations.

Sixth, the speedy transition toward more perfect competition. Former communist nations are rapidly adopting market economy, while most other nations are strengthening their international competitiveness through decentralization, deregulation and privatization.

Seventh, the internationalization of domestic companies. At the same time the former USSR built-up its satellite regimes, numerous corporations of the developed nations created economic satellites all over the world, and, accordingly, numerous multinational corporations were formed in the 1960's. Now, multinational corporations have enveloped the world market and are playing pivotal roles in the acceleration of internationalism and true worldwide economic unification.

Eighth, the multitude of strategic alliances formed among the large

corporations of Europe, Japan and the US until now, the business activities of multinational corporations were based on absolute advantage. But it steadily became more difficult for single corporations to meet changing economic environments, such as, growing internationalism in the world economy, swiftly changing consumer needs, the risks and uncertainties of uncontrollable R & D costs, and the emergence of composite products eliminating traditional product boundaries.

Ninth, the basic flow of international trade is changing. Until the 1980's, the developed nations dominated trade. But this decade is witnessing the flowering of trade between developed and developing nations as well as among developing nations themselves. With the advent of the 21st century, the trade imbalance between developed and underdeveloped nations should dissolve.

Finally, there is a change in trade patterns. Previously, commerce between nations essentially followed the Heckscher-Ohlin theorem in which trade was based on inter-industry resources. Nowadays, trade—forever changed by the formation of multinational corporations—follows a pattern of intra-industry routes.

To conclude this general view, I would like to note that the WTO system will increase the profits accruing from international specialization throughout the world, while the economic success of nations, whether they be developed or developing, will be based on competitive advantage.

3 Critical View of Globalization

With the opening of the Korean rice market, the very foundation of

a 5000 year old agricultural heritage and tradition was dramatically shaken. Before we try to understand the essence of the new world order, we must concern ourself with the blow that was inflicted on the identity and legacy of the average korean farmer. To be sure, the arguments against protectionism in the rice market have all been logical and have carried merit. Indeed, the long term benefits of free trade in the rice market can be easily seen from almost any aspect. But in oriental societies, the role of agriculture is not limited to tangible products such as rice, but rather encompasses a society's essential spirit and culture. It is as if our whole national Psyche has been mercilessly opened-up and exposed to views.

At this juncture, Fair trade is a slogan and an excuse which is frequently used by the US government when it is proposing trade sanctions. Free trade is free among all nations, but trade becomes fair when the US is the benefactor. Simply put, the WTO system will be a blessing for some nations, while it has the possibility of turning into a big burden for others.

It is indisputable that the US has played a decisive role in the world economy. The US market has been the bastion of free enterprise into which most nations have easily entered. As the leader of the post World War II era and the most significant contributor to the organization and operation of the IMF and the GATT, the US has provided both the capital and the technology that have been crucial to the total development of world market economies. In other words, the US has provided the essential fertilizer for the rapid growth of the world economy. Its munificent policies were based, first, on the conviction that the US had an absolute advantage over all other nations, and, second, on the belief

that such policies would stimulate the growth of the world economy. The US believed that the development of foreign economies would have a boomerang effect, providing benefits to the US and everyone else.

But, as the costs of defending the world against communism grew, the absolute advantage once enjoyed by the US was challenged by her protected nations, and, in fact, the US was actually overtaken by nations, like, Germany, Japan and NIE's.

Rome was a concept before it was a city and neither was built in a day, likewise, globalization will not be achieved in one day. In point of fact, globalization is a product of action and reaction of individual interests of nations over a long period of time. The Uruguay Round talks and the WTO system inform us that international relations are not completely fair. The principle of equality under the WTO system does not guarantee true equality or fairness, but rather, it offers an interpretation of “fair trade”, so often mentioned by the US. The culture, capital and technology of all members of the WTO are different. It is often difficult for developing nations to agree with free trade as it is envisioned and expounded by more developed nations.

The Blue Rounds and the Green Rounds hold the possibility of ignoring the differences among nations. It is next to impossible to argue against the fact that the world environment must be protected, yet, it is also true that environmental damage is different from country to country, and that the costs of environmental protection will take away much needed capital—something developing nations cannot spare—and, which, in turn, may become a powerful trade barrier in itself.

If all developing nations can sustain their dynamic growth, the world

will finally be free of poverty. This of course will provide enormous impetus to the US and other developed nations.

The border dividing rich and poor is slowly disappearing. The world has entered a phase where it is necessary for rich nations to help poor nations in order to get richer.

4 Korean Crisis

The breakdown of Korean economy results from chronic disease and acute disease. Here, the chronic disease means internal structural problems and acute disease means the shock of the international finance. In my opinion, among those two factors, the external influence has a immediate connection with Korea being swept into the IMF system.

Especially, continuous depression of foreign export has brought out the weak parts of Korean industrial structure; High-cost and Low-efficiency. In Korea we call this 'five-high and three-low phase'. The five-highs are high loan cost, high interest rate, high wage, high price of land and high transportation cost. The three lows are low productivity, low efficiency and low profit margin. The average debt-rate of Korean manufacturing companies in 1996 is 317%, which is 4 times of Taiwan (86%) and one and half of Japan (207%). The average debt-rate of Korea's 30 leading companies is 450%. And the banker's rate is 12% which is six times as large as that of Japan, and this is a great burden to Korean companies. At the beginning of 1997, after the bankruptcy of Hanbo group, debt-rate of bankrupt companies such as Jinro group, Sammi group, Hanla group and New Core group was as much as 2000%.

Moreover, some Chabols which were ranked among thirty leading

groups suffered from financial difficulties to be bankrupt and this brought the consecutive collapse of small and medium enterprises. Following this was the financial strains and finally foreign exchange rate upriser in consequence of slump in stock market and outgoing of foreign capital.

In addition, agitation of speculative hot-money and release of Foreign currency by the government to keep the balance of foreign exchange rate have brought Korea to be supported by the IMF. In brief, the Korean sluggishness can be summed up as; loose management which depends on debt loan + inefficiency of financial system controlled by the government + International financial shocks + do nothing government.

The collapse of Hanbo group could be a good example to explain the collapse of Korean economy. Hanbo crisis (so called in Korea) was related with political corruption which includes the son of the former President, Kim Young-sam.

Hanbo group was a construction company which achieved a rapid growth in late 70's with backing of Chung Tae-su, the chairman of the group. Mr. Chung is a man of social tactics and he kept forming connections with politicians. The trouble arose when Hanbo group started business in the steel industry with the support from the government in spite of the objection of the economic circles. Korea First Bank and Seoul Bank furnished bonds (estimated at 1000 yen) to Hanbo group, trusting Mr. Chung's political influence and the government. But some part of the capital was used for political lobbying activities and undertaking financial institutions, so there arose a snag in operating the factory. Particularly, Kim Hyun-chul, the son of the president was suspected of accepting ten billions of Yen.

Ultimately, members of the National Assembly, presidents of banks and bureaucracy including the son of the president were arrested and Hanbo group was bankrupt which revealed the structural defect of Korean economy that led to the IMF crisis.

Here are the lessons we can learn from the Hanbo crisis correlated with Korean economy.

(i) Defect of bureaucratism

First is the defect of bureaucratism and immature market economy system. Korea adopted Japanese economic model for fast growth. So, Korean government led the economy centering around export and achieved a rapid growth. But as the scale of the economy expanded and the market was opened, the intervention and regulations of the government became obstacles for the growth.

(ii) Vulnerability of financial system

Second is the lag of banking business. This is deeply related with the 'defect of bureaucratism'. The most important tool in industrialization policy is financial backing. Developing countries concentrate capital on basic industries. Therefore, the stronger the power of a government, the more the financial system belongs to the government.

(iii) Immature Stock market

Third is the immature stock market. Stock market is the heart of Capitalism and western companies raise funds from Stock Market rather than banks. But companies in Korea raise funds from banks due to the immature stock market.

(iv) Chabols' loose management

Forth is Chabols' irresponsible extention management. Since Korea has fallen into the IMF system, Koreans blame both the government and Chabols. The government and Chabols blame each other. The government criticises Chabols for excessive borrowing, loose management and especially, extentions. Chabols criticise the government for market distortions such as failure in policy, regulations and intervention. So far, Korean economy has been in government-initiated economy system and We think the government is more responsible than the Chabols for the collapse of Korean economy. Additional critic of the Chabols is that the possession and the management right are concentrated in the owner of the group. In Korea, this is so called 'clan management'. Naturally, under this structure, the relatives of the owner hold the right of management and they stick to their own prosperity and safety rather than the rationalization of the management.

As time goes, this is going to be changed. It is known that there needed four generations even for the US enterprises to get rid of the owners' influence.

5. Historical Lesson

There are great similarties between the process of opening the Asia to the rush of the powers of western capitalism in the 19th century and the end of the 20th century's globalization.

China surrendered its rejection of the commerce to Britain due to the 'Opium War'. It was a wily strategy of imperialism seeking a new market in China by using the chinese opiumisms.

In 1853, Japan had to open the door under the American admiral Perry's overwhelming Black-Ship. Japan became the only Asian nation that succeeded in modernization. That success is based on two factors.

One is a measure to enrich and strengthen which learns and defeats the West simultaneously. The other one is the idea of 'Meiji Restoration' which adopts the western civilization but maintains the Japanese spirit.

Japan's long recession of last seven years and getting into tangles of the Asian sluggish have raised an issue of the Japanese model's collapse. However, there are still formidable views that point out this state as a 'grope for a new miracle' as described by the US newsweekly 'TIME'. It is considered that Japan is in search of the 'global mechanism' and under the silent and serious experiment of the Japanese Isle's reformation.

It is still needed to be watched over whether the fall of Asia's economy is due to the defect of 'Confucian Capitalism' or the destructive powers of the US' Capitalism that rules the global village by means of its irresistible powers.

Globalization has a strong tendency to resolve itself into the US 'showbism' which is the cohesion of opium like delusion and the Blackship like pressure.

More time is needed to see whether the Americanism is a permanent system and the only way for the global village to exist or it is the eye of the typhoon that will bring another crisis of the Capitalism.

The power of the US' mass-media which overwhelms our lives points out the very opium like factor which is accompanied with globalization. Nowadays, ninety percent of the theaters all over the world show films made in Hollywood and eighty percent of the popular music is American pop songs.

Unconsciously, the world is now addicted to American culture syndrome. From hamburgers to Internet and airplane, less than a hundred of the US' multinational corporations rules the commercial supremacy and the structure of business. Those multinational corporations are the

global crusades who makes the Bible of their managing systems such as limitless competition, abolishing the regulations, downsizing and so on.

The appearance of 'the Black Ship' and 'the Opium War' give us some historical lessons. First Japan opened its door by the Black Ship inevitably. Later, however, Japan could carry out its open policy successfully because of the idea to harmonize the Japanese tradition and the Western culture. Globalization is an American style game in which the US has the stronger competitive power than other countries. It is certain that we are unable to take an initiative in American style games such as basketball and American football. Similarly the globalization without the Asian spirit and background has no competitive power in the global economy.

On the contrary, Asia can develop the Asian style globalization by considering the diplomatic strategy which China had performed after the Opium War. Namely China could check Britain by the inter-restraint of neighbor countries such as Russia, France and Germany. First of all, Asia has to get over the America-centered mind. Then it needs to seek a solution to optimize the globalization by coming up with mutual functions of the interested countries like Europe, Japan and each other.

The biggest contradiction and weakness of the globalized structure is the US dollar monopolistic monetary system which helps the US lead the global economy alone. The US who issues dollar is actually a financial banker of the global economy. It is, however, not the benefit of global economy but the US' local economy that the US makes much of in terms of the monetary policy for dollar.

As a result, the world financial system cannot help being subordinate to the US economy and such a system offers the mechanism for the US to

enjoy its power like the 'Black-Ship' in the global economy. For example, even though nowadays the issue of high ¥ - low \$ tendency is seriously mentioned to recover the Asian economic crisis, the US pays not so much attention to the situation. In addition, the US refused thoroughly the idea of AMF (Asian Monetary Fund) for which Japan is supposed to take the responsibility. Eventually we cannot but expect highly the Euro currency launching next year.

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